

Before Amir M. Khan Afridi - Head of Department

In the Matter of Show Cause Notice issued to Gulistan Spinning Mills Limited

Date of Hearing:

May 26, 2022

Order - Redacted Version

Order dated June 28, 2022 was passed by Head of Department (Adjudication-I) in the matter of Gulistan Spinning Mills Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated March 17, 2022
2. Name of Company	Gulistan Spinning Mills Limited
3. Name of Individual*	The proceedings were initiated against the Company.
4. Nature of Offence	<p>Proceedings were initiated in terms of Section 510 of the Companies Act, 2017 (the Act) read with Notification <i>S.R.O. 1196(I)/2019</i> dated October 3, 2019 (the SRO).</p> <p>Brief facts of the case are that review of Company records transpired that it failed to maintain a functional website, contrary to the requirements of the SRO, which requires all listed companies to maintain a functional website and to place thereon the requisite mandatory information in the prescribed sequential order.</p>
5. Action Taken	<p>Key findings were reported in the following manner:</p> <p>It is pertinent to mention here that the mandatory functional website is aimed at serving as a valuable tool for existing and potential investors for making well-informed decisions, as well as being mutually beneficial for companies giving them an effective platform to provide all significant and material information to the stakeholders and seek their feedback wherever required. The Commission believes that this is a progressive step towards aligning the participants of capital markets with global technological progress and international best practices. Needless to say, that an optimized, functional, interactive website is instrumental to a Company's success helping it establish credibility as a business. A functional website and its maintenance are essential as it warrants its performance at peak by removing errors, security issues and delivering the best user experience to customers and clients alike.</p> <p>In view of the above, it is stated that non-compliance with the SRO has been established and the Respondent is liable to penalized under Section 510 of the Act. However, keeping in view the fact that the Respondent has made subsequent compliance by virtue of developing and maintaining its functional website, I hereby conclude the proceedings without imposing any monetary penalty, and remind the Respondent to maintain compliance with all the applicable laws in the future in letter and spirit.</p>
6. Penalty Imposed	No penalty imposed on the Company.
7. Current Status of Order	No Appeal has been filed by the Company.

Redacted version issued for placement on website of the Commission.